Prosecutor Named in Eagleton Case

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ST. LOUIS, Aug. 20—The Justice Department has named an outside prosecutor to investigate allegations that Sen. Thomas E. Eagleton (D-Mo.) was the victim of an extortion attempt by his niece.

The FBI has accused the senator's niece and her attorney, both members of the Church of Scientology of Missouri, of attempting to extort $220,000 from Eagleton by threatening to release material damaging to his reputation.

Eagleton disclosed the alleged extortion attempt at a news conference on Aug. 4, the day before the Missouri primary eletion. He termed the allegations about damaging material "a bunch of garbage." The material, which allegedly was gathered by private investigators in Elizabeth (Libby) Eagleton, Weigand's employ, hasn't been disclosed. Eagleton easily won renomination for his Senate seat.

Robert D. Kingsland, the U.S. attorney here, formally asked the Justice Department for a special prosecutor last week.

Kingsland, who formerly served on Eagleton's Senate staff, said he decided to ask for an outside prosecutor "because I have become aware of persistent questions and rumors regarding the handling of this case." The rumors were that he and Eagleton had agreed to suppress all of the evidence in the matter, he said, and are false.

He said, "I have neither seen nor reviewed any of the evidence in this case . . . nor have I had any contact whatsoever with Sen. Eagleton since the beginning of this case, nor have I had any role in the decisions that have been made in this case." He said that as soon as the FBI filed a complaint against the niece and her attorney 2½ weeks ago, he took himself out of the case and assigned it to two assistants. The FBI complaint has been dismissed, but the investigation into the allegations continued.

The St. Louis Post-Dispatch disclosed the appointment of jthe special prosecutor, Donald B. Nicholson, in a copyrighted story today. Although there hasn't been a firm decision to seek an indictment, the Post-Dispatch reported, a grand jury guided by Nicholson could begin hearing evidence in the case late this week or may be called into special session next week.

"I expect this will be resolved one way or the other within two weeks," one source said.

At his Aug. 4 news conference, Eagleton said his niece had threatened to give the allegedly damaging information to reporters unless Eagleton or a family-owned business, the Missouri Pipe Fittings Co., bought her 6.25 percent interest in the company for $220,000.

Proceeds from the sale of the stock were to be given to the Church of Scientology, Eagleton said, adding that his niece had "allowed the church to steal her mind."

The Church of Scientology has denied any involvement in the matter. Weigand has refused to speak with reporters. Her attorney, Stephen E. Poludniak, telephoned a reporter to say that the FBI's extortion complaint was "a political ploy."

Two weeks ago, Weigand and Poludniak were subpoenaed to appear before the grand jury. But their subpoenas were dismissed by the U.S. attorney's office. The Post-Dispatch reported that their appearance before the grand jury had been sought so that they could give handwriting samples, but that samples had been obtained without their having to appear.

Weigand and Poludniak were arrested Aug. 3 after they met with two of Eagleton's associates, J. J. Thyson and William E. Buckley, both lawyers. Thyson is managing director of Missouri Pipe Fittings Co. and was also reported to be a target of the alleged extortion attempt. Buckley is Eagleton's personal attorney.

After their arrest, Weigand and Poludniak were taken before a federal magistrate. At a hearing before the magistrate, however, prosecutors dropped their complaint against the two, saying that the matter needed more investigation.

When Poludniak was arrested, agents seized a briefcase he was carrying. An inventory of its contents showed it contained some unsigned, handwritten notes as well as financial documents related to the Missouri Pipe Fittings Co. The documents haven't been made public.

Elizabeth Weigand is married to the rev. Scott Weigand, who is on the staff of the Church of Scientology of Missouri.

An assistant to Eagleton said Wednesday "the prosecutio nof this case is in the hands of the Department of Justice and I am sure that it will markets best effort to proceed both fairly and expeditiously in bringing the case to a resolution."